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FM SECSTATE WASHDC
TO AMEMBASSY BERN PRIORITY
INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE PRIORITY

S E C R E T STATE 107520

E.O. 12958: DECL: 10/07/2033

TAGS: [PARM](#) [MTCRE](#) [PREL](#) [MNUC](#) [ETTC](#) [SZ](#) [CH](#) [KN](#)

SUBJECT: (S) EFFORTS BY NORTH KOREA TO PROCURE CONTROLLED
MACHINES TOOLS FROM A FIRM IN SWITZERLAND

REF: A. 07 STATE 170786

[1](#)B. BERN 000002

[1](#)C. STATE 013055

[1](#)D. BERN 000071

[1](#)E. BERN 000131

[1](#)F. STATE 035867

Classified By: ACTING ISN/MTR DIRECTOR RALPH PALMIERO
FOR REASONS 1.4 (B), (C), and (D).

[1](#)1. (U) This is an action request. Embassy Bern, please see paragraph 3.

[1](#)2. (S) Background: On several occasions, we have raised with Swiss officials exports of machine tools by the Swiss firm Schaublin Machines that posed potential proliferation concerns (Reftels). In response, Swiss authorities have taken actions to subject transfers of equipment produced by Schaublin Machines to greater export control scrutiny to limit the proliferation risks associated with such sales (Ref B and E). We now would like to alert the GOS to information indicating that proliferation-related entities in North Korea may be attempting to procure equipment controlled by the Wassenaar Arrangement and Nuclear Suppliers' Group from Schaublin Machines. We want to urge Swiss authorities to investigate this information and take all appropriate measures to prevent Swiss-origin equipment from being supplied to weapons-related entities in North Korea. We also want to emphasize that such action would be consistent with United Nations Security Council Resolution 1718.

[1](#)3. (S) Action request: Request Embassy Bern approach appropriate Swiss authorities to deliver talking points/non-paper in paragraph 4 below and report response. Talking points also may be provided as a non-paper.

[1](#)4. (S) Begin talking points/non-paper:

(SECRET//REL SWITZERLAND)

-- On several occasions, we have brought to your attention exports of machine tools by the Swiss firm Schaublin Machines that posed potential proliferation concerns.

-- We greatly appreciate the actions your government has taken to minimize the risks associated with such transfers.

-- For example, you informed us earlier this year that certain proposed transfers by Schaublin Machines would be subjected to greater export control scrutiny, particularly those involving companies in Iran.

-- It therefore is in the spirit of our close cooperation on this issue that we would like to alert you to information indicating that proliferation-related entities in North Korea may be attempting to procure equipment from Schaublin Machines.

-- Specifically, we understand that in July 2008, the Beijing-based Pira-Tech Company was seeking to procure from Schaublin Machines a computer numerically controlled (CNC) lathe controlled by the Wassenaar Arrangement and Nuclear Suppliers' Group on behalf of North Korea's primary weapons trading firm Korea Mining Development Corporation (KOMID).

-- KOMID is an entity of significant proliferation concern that is currently subject to sanctions under U.S. law for its missile-related trading activities.

-- In particular, KOMID is designated under Executive Order 13382 for engaging in activities that have materially contributed to North Korea's proliferation-related activities. This designation means that all of KOMID's assets that are subject to U.S. jurisdiction are blocked.

-- Given KOMID's involvement in this transaction, we are concerned that the lathe being sought could potentially be diverted to military- and missile-related projects in North Korea.

-- We therefore urge you to investigate this information and take all appropriate measures to prevent Swiss-origin equipment from being supplied to weapons-related entities in North Korea. We believe such action would be consistent with United Nations Security Council Resolution 1718, especially paragraph 8(a)(ii) which prohibits transfers of items listed on the Nuclear Suppliers Group lists (as captured in Security Council document S/2006/814) to North Korea.

-- We look forward to future cooperation on nonproliferation issues and to hearing of any actions your government takes in response to this information.

End talking points/non-paper.

15. (U) Washington POC is ISN/MTR James Mayes (Phone: 202-647-3185). Please slug any reporting on this issue for ISN/MTR, EUR/CE, and EUR/PRA.

16. (U) A word version file of this document will be posted at www.state.sgov.gov/demarche.
RICE

NNNN

End Cable Text